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NSC BRIEFING 28 October 1954

OSD REVIEW COMPLETED

THE COMMUNIST THREAT TO FORMOSA

I. Stated US intention defend Formosa has almost certainly been largest factor in Communist failure assault island to date.

A. Ever since island's "neutralization" in June 1950, Peiping has failed repeat earlier promises of "liberation" Formosa by specific deadline.

B. Although promises of "liberation" intensified in recent months, propaganda continues suggest further preparations necessary.

II. Failure of Sino-Soviet communique (11 October) to mention "liberation" of Formosa has led to some speculation that Peiping tried but failed to get Soviet commitment military support. However, no solid evidence on this point.

A. In any case, believe Moscow and Peiping now in agreement postpone military operation, pending outcome diplomatic maneuvers.

B. Such maneuvers would try to force US withdrawal from Formosa or, at least, to completely isolate US as sole support of Nationalists.

III. Communists may be ready try direct military operations by spring of next year. – in terms of capability? or in terms of Commie assessment that by spring political offensive will have succeeded in deterring US intervention?

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A. Peiping expected use eight armies--400,000 troops--for Formosa assault. Already about 470,000 Communist troops between Shanghai and Canton. Nationalists, in contrast, have about 285,000 effectives.

B. Communist air strength--already far superior to Nationalists--now includes about 750 jet fighters, 150 jet bombers. By next spring, probably 950 jet fighters, 175 jet bombers.

C. Communist navy is weak at present. Almost sure to be strengthened by spring. Peiping already has two long-range Soviet subs, one medium-range.

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Light cruiser (Chungking), now at Dairen, may be operational by spring '55.

D. To waterlift forces for Formosa invasion next spring, Communists would still have to depend largely on thousands of fishing junks always available along East China coast.

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V. On Nationalist side, some possibility dangerous actions, in either of two directions, as response accumulating worries over future.

A. Nationalist leaders, most of whom identify their future with "return to mainland," have frequently stated, this year, that "return" cannot be postponed indefinitely.

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B. Conviction that time running out might lead Nationalists attempt "now or never" involvement US forces in major action with Communists, which necessary for "return" attempt.

C. To achieve such involvement, Nationalists might defy US, stage major raids on mainland, increase interceptions of Orbit shipping, make air attacks on strategic mainland targets.

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VI. In other direction, Nationalists might despair of "return to mainland."

A. Would then become vulnerable to Communist propaganda urging Nationalist leaders and troops to defect, promising amnesty to all but Chiang Kai-shek.

B. Thusfar, Nationalists seem all right--are not defying US, are not falling for Communist propaganda--but situation bears watching.

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